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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

January 16, 2002

The Honorable Hector V. Barreto
Administrator
Small Business Administration
409 Third Street, S.W.
Washington, D.C. 20416

Dear Mr. Barreto:

On September 19, 2001, the Office of Inspector General (OIG) of the Small Business Administration (SBA) issued an audit of the Vermont Women's Business Center (VWBC), which is located at Trinity College of Vermont (Trinity) in Burlington, Vermont. The SBA OIG determined that Trinity did not comply with the terms and conditions of the Women's Business Center grant award from the SBA.

The SBA OIG audit focused on the financial aspects of the 5 year cooperative agreement between the SBA and Trinity. In the first year of the agreement, Trinity received \$150,000 in federal funds, and it received \$140,000 in the second year. At the time of the audit, the third year funding was pending the approval of the SBA.

The SBA OIG made the following findings:

- A. Trinity had not complied with some of the financial terms and conditions of the cooperative agreement;
- B. Trinity failed to provide \$24,900 in required matching funds in the first year of the award;
- C. Trinity reported \$31,655 of unallowable costs and in-kind contribution during the first year of the award; and
- D. During years 1 and 2 of the award, Trinity submitted inaccurate and inconsistent financial information to the SBA.

In each of the enumerated findings, the SBA OIG sent forth a series of findings and recommendations, which were disputed, in many cases, by Trinity. However, the Office of Women's Business Ownership and the Office of Administration each submitted a memorandum included in the

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SBA OIG audit report agreeing with the SBA OIG's findings and recommendations.

Therefore, please provide me with a report on the status of the Women's Business Center grant award between the SBA and Trinity. You should include in your response the status of steps being taken by Trinity and the SBA to meet each of the SBA OIG recommendations.

Thank you for your attention to my inquiry. Please feel free to call me about this request, or your staff should contact Paul Cooksey, the Republican Chief Counsel, at (202) 224- .

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Bond", written over a horizontal line.

Christopher S. Bond
Ranking Member